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# Sustainability Reporting is Increasing But Does It Resonate with Consumers?

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Now imagine you're a consumer who doesn't work in the fashion industry, doesn't know the lingo and doesn't even fully understand the issues. Even sustainably minded consumers have a hard time defining sustainability, confused by mixed messaging and a lack of standardized information.

There are many definitions of a "sustainable garment," some relative, others more absolute. And while companies are collecting increasing amounts of data about what's in their products and how they're made—both from environmental and social standpoints—are they channeling that to their consumers in an effective, trustworthy way?

Research by [Futerra](#) revealed that 88 percent of consumers in the U.S. and UK *want* brands to help them be environmentally friendly and ethical, but once received, they need proof that the information is authentic.

Bureau Veritas—a 3<sup>rd</sup> party organization that tests, inspects, certifies and authenticates—adds gravitas to brand claims, helpful as industry "greenwashing" breeds confusion and skepticism. "There's a lot of good going on out there, but there needs to be increased education as to what these things mean, so the acronyms aren't alphabet soup to the consumer," said Rick Horwitch, VP, global retail and supply chain strategy for Bureau Veritas.

Industry insiders agree that despite third-party verification, the industry needs better regulation and global standardization. "Information is delivered in an inconsistent manner, particularly with raw fibers," said Danielle Statham, co-founder and director of [FibreTrace](#). "As we go from using the word sustainable in the fashion vocabulary to regenerative, I am mindful and very protective of the true meaning of the word and how it is substantiated. Regenerative is not to be used frivolously."

Zennure Danisman, marketing and wash manager of Turkish denim manufacturer Orta, agreed about inconsistencies. "This uncertainty causes the whole supply chain to use different impacts and comparisons. The lack of standardization and control throughout the sector causes the market to be vulnerable to sustainability claims without solid grounds. That is why brands need to educate themselves on the global challenges and the solutions first; set science-based targets; and then educate their customers to grow the demand for better solutions."

Once companies understand what they should look for, they need to stay focused to weed out the extraneous. The challenge, notes Paul Magel, president of business division applications, [CGS](#), is to understand what is important to a specific demographic of consumer. "Brands and retailers must

educate themselves and understand the value proposition their consumers are looking for to ensure they articulate the best message. They then need to turn that data into useful information, and back up their claims with verifiable information.”

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A more educated consumer is also a more caring one. “In the U.S., we’ve found that most consumers are removed from the processes and impacts of manufacturing, particularly with textiles,” said Ben Mead, Ben Mead, managing director USA of and certification company [Hohenstein](#), a founding member and leading provider of [OEKO-TEX®](#) services.

“Brands and retailers should make it easy for consumers to ‘do the right thing’ as one small step towards a more sustainable lifestyle,” Mead said. “The problem-solution framework has resonated with many consumers, so that they become aware of, but not overwhelmed by, the problem.”

This means giving consumers access to find out more information on their own about the meaning of a claim, easily done with links to publicly available third-party standards.

## Missing the big picture

The disconnect between consumers and the apparel manufacturing process means they don’t necessarily know the right questions to ask, let alone what aspects of their garments might have the biggest impact.

“Most consumers are not so aware of the resources used to create their articles, and as a result, consumers are more focused on the origin of the raw materials (are they bio based, natural, recycled?) and the presence of toxic, harmful chemicals,” said Paul Cowell, Global Head of Competence Centers & Brand Studio, Brand & Performance Textile Specialties, [Archroma](#).

“The consumer can’t make the decision to purchase a T-shirt that uses 50 percent less water if they are not provided with this critical information,” said Cowell. “The chemistry, technology and tools are available to provide this level of transparency, but many brands are a bit reluctant to engage with their consumer at this level, probably due to a lack of an official accurate standard, which would bring credibility and value to the released numbers.”

When it comes to [ESG](#), sustainability isn't necessarily consumers' top concern.

"Typical questions we are asked about focus on ethical and safe workplaces—fair wages, making sure no child labor is used," said Sydney Badger, co-founder and CEO of sustainable fashion line [Public Habit](#). "We find that consumers inquire more about social impact than environmental because it is more human and easier to understand."

Just like celebrities and influencers on Instagram have been showing more of their authentic selves, brands and retailers should also get "real" about their sustainability journey. As mentioned on [McKinsey's Consumer and Retail podcast series](#), Gen Z in particular is tolerant and forgiving of errors, as long as companies show the same authenticity that they seek for themselves.

"Brands should bring consumers along their own ESG journey," she said. "There is no singularly sustainable brand. It is a spectrum and a journey. It's important for consumers to understand where brands are improving and why, and where they still have a lot of work to do."

There are also steps along the sustainability journey worth sharing, that companies might not consider.

"Companies are doing a lot more things than they actually realize or give themselves credit for," said Bureau Veritas' Horwitch. "Maybe they're smart to put themselves in a LEED-certified building. They can start to build off that as they share their story."

## **Betting on next-gen consumers**

Clearly, there is work to do. "Despite the efforts in communicating sustainability initiatives, only one out of every four consumers are aware of the sustainability efforts being made by the brands and retailers they choose for apparel, footwear, and accessories," said Kristen Classi-Zummo, director of market insights, apparel, The NPD Group.

Industry insiders are pinning their hopes on new generations of consumers, especially Gen Z who are taught to question everything and hold brands' feet to the fire when they suspect misdeeds. They are open to learning the truth, and will dig to uncover it.

"We have a new generation of consumers who look beyond just comfort or appearance and question the environmental or social compliance marketing narrative," says FibreTrace's Statham. "They are not afraid to challenge the status quo, and this is a wonderful opportunity for brands and supply chain actors who participate in good practice to come to the front of the line."

As 79 percent of people surveyed in the US, UK and China say they would be interested in more practical tips and advice from companies or brands on how to live more sustainably, according to Wunderman Thompson, brands have an opening.

## **Scan for info**

Companies can only capitalize on the opportunity if they're able to communicate the right type of information to consumers in a manner and place where they can receive it.

"One-third of consumers look to the product to learn about the sustainability initiatives of the brands they are buying," said NPD's Classi-Zummo. "This can be a great opportunity for QR codes on the label, as only about 28 percent of consumers told us they visit a retailer or brand website on their own to learn about sustainability efforts."

Another opportunity for sustainability messaging is in end of life. It's not enough for a company to talk about what they're doing—or not doing—when they create a garment. They need to explain how the consumer can do his or her part to further that mission with more responsible laundering, disposal, upcycling, recycling or resale.

Companies are finding new ways to not only help consumers make buying decisions but also empower them to do their part in closing the loop. That was the impetus behind Avery Dennison's new [Digital Care Label](#) solution, which tracks garments throughout their lifecycles.

"With the growth of direct-to-consumer models, these capabilities will be what gives brands and retailers a competitive advantage," said Amy Lee, senior manager of trends and insights, apparel, Avery Dennison RBIS.

The key is not to look at sustainability messaging as an all or nothing proposition.

"If you can make small changes in the right direction, communicate this to your consumer," says Archroma's Cowell. "Don't let perfection be the enemy of progress."

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